

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Business Meeting Minutes

of

July 17, 2002

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The meeting was called to order by Chairman William J. Keese at 10 a.m.

The Pledge of Allegiance was given by Commissioner Pernell.

William J. Keese	Present
Robert Pernell	Present
Arthur Rosenfeld	Present
James D. Boyd	Absent
Margaret Kim, Ex-Officio	Present (arrived at 11:20 a.m.)

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed and moved to later on the agenda)
 - a. BUILDING OWNERS AND MANAGERS ASSOCIATION OF GRATER LOS ANGELES. Possible approval of Contract 400-01-010 Amendment 2, for a no-cost time extension to allow the Contractor to expand their scope of work through different technologies to achieve kilowatt reduction.
 - b. SAN DIEGO STATE UNIVERSITY. Possible approval of Contract 500-01-018 Amendment 1, for a no-cost, seven and a half month-time extension to assess the potential to utilize the ocean wave energy resources off California's coast.

Commissioner Pernell moved and Commissioner Rosenfeld seconded approval of the Consent Calendar. The vote was unanimous. (3-0)

2. TRACY PEAKER PROJECT. Commission consideration and possible adoption of the Presiding Member's Proposed Decision for the Tracy Peaker Project. This is a 169-megawatt power plant located in an unincorporated portion of San Joaquin County, immediately southwest of the city of Tracy.

Commissioner Pernell moved and Commissioner Rosenfeld seconded the adoption of the PMPD, including errata as specified, for the Tracy Peaker Project. The vote was unanimous. (3-0)

3. BLYTHE ENERGY PROJECT PHASE II. Commission consideration of the Executive Director's Data Adequacy Recommendation for the Blythe Energy Project Phase II. This is a 6-month, 52-megawatt combined-cycle power plant located in the city of Blythe. This project is an addition to the approved Blythe Energy Project (BEP) described in (99-AFC-8) (Docket No. 02-AFC-1).

Commissioner Pernell moved and Commissioner Rosenfeld seconded the approval of the Executive Director's Recommendation that the Blythe Energy Project Phase II AFC be found data adequate. The vote was unanimous. (3-0)

4. BLYTHE ENERGY PROJECT PHASE II. Possible approval of a Committee for the Blythe Energy Project Phase II Application for Certification (Docket No. 02-AFC-1).

Commissioner Pernell moved and Commissioner Rosenfeld seconded the approval of Chairman William Keese as the Presiding Member and Commissioner Rosenfeld as the Second Member of the Committee for the Blythe Energy Project Phase II AFC. The vote was unanimous. (3-0)

5. INTEGRATED ENERGY POLICY REPORT. Possible approval to open an Order Instituting Informational Proceeding and Establishment of an Oversight Committee consistent with Public Resources Code Section 25300 - 25307 to cover Electricity and Natural Gas Markets, Transportation Fuels, and Energy Efficiency, Renewable Technologies and Public Interest Energy Research. The Report is to be sent to the Governor and Legislature in the Fall 2003.

This item was withdrawn from the agenda.

6. LOCAL JURISDICTION ENERGY ASSISTANCE LOAN ACCOUNT. Possible approval of an \$800,000 loan to the county of El Dorado and to waiver the 25-percent matching fund requirement. The loan will be used to fund the installation of energy efficient improvements to the heating, ventilating and air conditioning system in various county buildings. The projects are estimated to save the County about \$176,000 in reduced energy costs and result in a load reduction of 400-kilowatts.

Commissioner Rosenfeld moved and Commissioner Pernell seconded approval of a loan to the county of El Dorado and waiver of the 25-percent matching fund requirement. The vote was unanimous. (3-0)

7. RENEWABLE ENERGY PROGRAM. Possible approval of Environmental and Energy Infrastructure and Licensing Committee recommendation to extend funding awards under the New Renewable Resources Account, pursuant to Public Utilities Code Section 383.5(c)(2)(B), for the following projects.
 - a. NEO CORPORATION COLTON LANDFILL GAS UTILIZATION PROJECT - 2.52-megawatt conditional funding award for \$334,672.79 with a proposed on-line date of March 31, 2003.
 - b. NEO CORPORATION MILLIKEN LANDFILL GAS UTILIZATION PROJECT - 5.04-megawatt conditional funding award for \$667,636.01 with a proposed on-line date of March 31, 2003.
 - c. NEO CORPORATION MID-VALLEY LANDFILL GAS UTILIZATION PROJECT - 3.78-megawatt conditional funding award for \$471,946.62.
 - d. CABAZON WIND PARTNERS LLC PROJECT - 48-megawatt conditional funding award of \$9,367,072.52 with a proposed on-line date of November 1, 2002.

Commissioner Pernell moved and Commissioner Rosenfeld seconded approval to award funding under the New Renewable Resources Account, pursuant to Public Utilities Code Section 383.5(c)(2)(B). The on-line date of item 7 (a), (b) and (c) was changed to July 2, 2003 and the on-line date of item 7(d) was changed to November 1, 2002. The vote was unanimous. (3-0)

Attorney Gabriel Herrera, counsel for the Renewables Program, informed the Commissioners that there would be approximately 20 more of these extensions coming before the Commission and requested that in the future would it be possible for them to be on the Consent Calendar. The Commissioners stated that the consent calendar procedure would be acceptable.

8. VINOVAION, INC. Possible approval of Contract 500-02-001 for \$309,987 to demonstrate tartrate stabilization of wines by electrodialysis.

Commissioner Rosenfeld moved and Commissioner Pernell seconded approval of Contract 500-02-001. The vote was unanimous. (3-0)

9. WASHINGTON STATE UNIVERSITY. Possible approval of Contract 400-00-055 Amendment 1, for \$1,200,000 to amend the scope of work for the evaluation of the consumer response to 2001 peak load reduction programs. The new work scope for 2002-03 will add additional data collection and analysis to evaluate persistence of conservation actions, consumer reactions to residential real-time metering pilot tests and impacts of large-scale marketing efforts.

Commissioner Pernell moved and Commissioner Rosenfeld seconded approval of Contract 400-00-055 Amendment 1. The vote was unanimous. (3-0)

10. DEPARTMENT OF ENERGY, LAWRENCE LIVERMORE NATIONAL LABORATORY. Possible approval of Contract 500-02-003 for \$1,995,038 to demonstrate a Homogenous Charge Compression Ignition engine-based genset.

See Item 11.

11. WAUKESHA ENGINE, DRESS, INC. Possible approval of Contract 500-02-002 for \$2,995,060 to develop an ultra-low emission technology for natural gas fueled reciprocating engines.

Items 10 and 11 were taken up together. Commissioner Rosenfeld moved and Commissioner Pernell seconded the approval of Contracts 500-02-003 and 500-02-002. The vote was unanimous. (3-0)

12. Minutes

Commissioner Rosenfeld moved and Commissioner Pernell seconded approval of the minutes for June 26, 2002, March 22, 2000, April 5, 2000, and April 26, 2000. The vote was unanimous. (3-0)

13. Commission Committee and Oversight

No reports were given.

14. Chief Counsel's Report

A closed session was requested to discuss on-going litigation.

15. Executive Director's Report

No report was given.

16. Public Adviser's Report

No report was given.

17. Public Comment

No comments were received.

In addition to the agenda that went out on July 1, 2002, the Commission will vote to consider the following item:

Commissioner Pernell moved and Commissioner Rosenfeld seconded approval to add Item 18, Demand Response Proceeding, to the July 17, 2002 Business Meeting agenda. The vote was unanimous. (3-0)

18. DEMAND RESPONSE PROCEEDING. Possible adoption of an Order Instituting an Informational and Rulemaking Proceeding to assess and implement rates, equipment, and protocols to foster a more price-responsive electricity market. The proceeding could result in the adoption of building standards, appliance standards, load management standards and other measures.

Commissioner Rosenfeld moved and Commissioner Pernell seconded approval of an Order Instituting an Informational and Rulemaking Proceeding to assess and implement rates, equipment, and protocols to foster a more price-responsive electricity market. The vote was unanimous. (3-0)

The meeting was adjourned at 11:30 a.m.

BETTY A. McCANN
Secretary to the Commission